

## Message Text

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64/50

ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 INT-08 STR-08 FEA-02 AID-20

CIAE-00 COME-00 EB-11 FRB-03 INR-11 NSAE-00 RSC-01

TRSE-00 XMB-07 OPIC-12 SP-03 CIEP-03 LAB-06 SIL-01

OMB-01 DRC-01 /142 W

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R 071115Z SEP 74

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 9247

INFO AMEMBASSY BRUSSELS

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C O R R E C T E D C O P Y (P A R A 3)

DEPT PASS EXIMBANK

E.O. 11652: N/A

TAGS: EINV

SUBJECT: ZAIRE AND REYNOLDS REACH FURTHER AGREEMENTS  
ON ALUMINUM INDUSTRY

1. AFTER WEEK OF INTENSIVE NEGOTIATIONS, REYNOLDS TEAM HEADED BY RICE AND KEATING SIGNED TWO AGREEMENTS WITH GOZ SEPTEMBER 6 TO SET UP TWO JOINTLY OWNED COMPANIES (FIFTY PERCENT REYNOLDS, FIFTY PERCENT GOZ). FIRST COMPANY, ZAIRE BAUXITE, WILL DEVELOP BAUXITE DEPOSITS IN BAS ZAIRE NOT FAR FROM INGA HYDROELECTRIC COMPLEX, AND WILL CONSTRUCT ALUMINA PLANT. SECOND COMPANY, ZAIRE REYNOLDS ALUMINIUM, WILL CONSTRUCT PLANT TO CONVERT ALUMINA INTO ALUMINIUM. DEAL ALSO CALLS FOR EARLY CONSTRUCTION OF SILICON PLANT IN WHICH REYNOLDS IS ESPECIALLY INTERESTED. THIS COULD INVOLVE CREATION OF THIRD COMPANY.

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2. GOZ OBTAINED FROM BELGIAN FIRM TRACTION ET

ESLECTRICITE DETAILED DATA ON NUMEROUS GEOLOGIC BORINGS MADE IN 1958 AND 1959 FOR A CONSORTIUM, ALUINGA, IN WHICH REYNOLDS, KAIZER, ALCOA AND OTHERS PARTICIPATED. WHILE OTHER BORINGS MAY BE NECESSARY, PRELIMINARY EXAMINATION OF DETAILED DATA CONVINCED REYNOLDS THAT ENOUGH BAUXITE OF SUFFICIENTLY HIGH GRADE WAS AVAILABLE TO MAKE PROJECT ECONOMICALLY FEASIBLE. AGREEMENTS ALSO STIPULATE THAT ELECTRIC POWER WILL BE FURNISHED AT AN ECONOMIC RATE. FURTHER STUDIES BY GOZ AND NEGOTIATIONS WILL BE REQUIRED TO FIX PRECISE FIGURS. ADDITIONAL NEGOTIATIONS ALSO WILL BE NECESSARY ON NUMBER OF TAX QUESTIONS.

3. REYNOLDS HAS ALREADY HAD PRELIMINARY CONTACTS WITH EXIMBANK. COMPANY WILL NOW STEP UP EFFORTS WITH VIEW OF OBTAINING PRELIMINARY LETTER OF COMMITMENT ASAP. RICE ESTIMATES TOTAL COST OF TWO VENTURES TO BE CIRCA \$600 MILLION.

4. DIRECTOR OF PRESIDENCY BISENGIMANA AT SIGNING CEREMONY STATED: GOZ PLEASED TO COOPERATE WITH COMPANY OF REYNOLD'S STATURE; GOZ FAMILIAR WITH EXIMBANK REQUIREMENTS AND WOULD COOPERATE FULLY; AGREEMENTS WERE SYMBOL OF US ZAIRIAN FRIENDSHIP AS MUCH AS COMMERCIAL DEAL. DECONTROL UPON RECEIPT. HINTON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Concepts:** BAUXITE, AGREEMENTS, NEGOTIATIONS, JOINT VENTURES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 SEP 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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